



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Date: December 7, 1998

To: Chief Executive Officers of National Banks

Preparing for the year 2000 (Y2K) is an unprecedented challenge for the banking industry. We have heard from many of you that you would find it helpful to have certain new tools: assessment tools to measure your progress in reaching Y2K goals; and communication tools to show customers the progress you are making.

We agree that self-assessments and disclosures to bank customers and counterparties can help banks prepare for Y2K and increase market confidence in the banking industry's Y2K efforts. In response to your requests, we want to make available to you some tools we developed in the course of our supervisory activities that you may find useful.

First, we are providing national banks with the results of our Banker Self-Assessment Survey, which may be used to compare your Y2K readiness efforts with those of your peer group. These Peer Data Comparison Reports are being distributed by OCC examiners during upcoming quarterly Y2K evaluations.

Second, we are sending with this letter a compact disk (CD) that we developed for OCC examiners. It can assist you in conducting a self-assessment of your Y2K readiness. The CD, entitled, *Year 2000: OCC's Supervisory Approach*, contains an overview of the Y2K problem, a review of FFIEC and OCC Y2K policies, and a discussion of the Phase II examination procedures. It was originally developed as an information and reference tool for bank examiners. Third, we also are sending the enclosed list of frequently asked Y2K questions received by the OCC. It might be useful for bankers to see the types of Y2K inquiries that the OCC is receiving from bank customers, and the answers that we are giving.

Finally, we have observed that, as banks develop Y2K customer awareness programs, their communications with customers contain common elements that frame an effective message. It may be useful for all financial institutions to have a list of these elements to use in future communications with bank customers. This can help customers track the bank's progress toward Y2K goals. We will be working with the other member agencies of the Federal Financial Institution Examination Council (FFIEC) to prepare a sample list of Y2K disclosures to customers that we plan to release by the end of January 1999.

We hope that all of these tools are useful to you in reaching your Y2K readiness goals. If you have any questions about this material, please contact your Examiner In Charge.

Sincerely,

Julie L. Williams
Acting Comptroller of the Currency

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